



CUSTOMER EXPERIENCE
NETWORK



JANUARY 2016 MARKET REPORT

Telecoms Focus: How to Reduce Churn and Improve Customer Retention



CX Network has created this report in collaboration with the following customer experience leaders across the telecoms industry:



Heather Lyon, Senior Director of Sales and Retention at Comcast. Lyon has over 13 years experience in the cable industry with focus in both marketing and operations. She boasts the ability to build and leverage relationships with key players, foster environments that allow change and has rolled-out new initiatives across Comcast.



Tanya Zyabkina, Director of Marketing Analytics for Time Warner Cable. Zyabkina has over 10 years experience dealing with marketing analytics for fortune 500 companies. She has the proven ability to measure the impact of marketing communications, and translate analytical insights into actionable recommendations. For the past 7 years, Zyabkina has been at the forefront of revolutionising Time Warner Cable's customer retention strategies.



Viktoria Ruubel, former Head of Digital at Eesti Telekom. At Eesti Telekom, Ruubel was at the forefront of designing and leading their digital transformation. She has the ability to create digital user experience for channels and solutions, build seamless customer experience across online and offline platforms, and coordinate enterprise digital transformation strategy to achieve measurable benefits for the bottom line whilst translating it into an executable roadmap.

Foreword

Every telecoms provider knows that it is much cheaper to retain an existing customer than it is to acquire a new one. However, in a highly competitive market, where one tariff change or negative customer service interaction could lose you a customer, keeping customers engaged, satisfied and, most importantly, spending on your networks is no easy task. In light of this, more and more operators are introducing personalised loyalty schemes focused on retaining their customers for longer.

The truth is, loyalty and retention are probably some of the biggest challenges facing operators today, especially in the competitive global marketplace, where the current economic climate is such that customers are less willing to spend. The business of customer loyalty can be a complex decision making process. In order to achieve maximum profitability, operators must carefully mine their data and ensure they send out the most relevant targeted communications to their customer base, whilst driving efficiency and reducing costs across their

business. They must also ensure they keep up with modern trends, in order to "catch their customers young" and develop lifelong relationships.

Furthermore, a recent CX Network survey saw 35 per cent of the 714 participants selecting 'building customer loyalty and retention' as a key investment priority for a more successful 2016. This should come as no surprise as often operators turn to building trust through capitalising on the rise of social media and the effects of digitalisation, however with the entire industry claiming to be innovating and managing churn in new and exciting ways, it can be difficult to understand the value add of the strategies put in place.

With an overview of the best practices to harness the power of retention and top tips for a loyal 2016, this report provides insight on the strategies network operators like Comcast, AT&T and Eesti Telekoms are currently using to improve their loyalty and retention.

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Understanding Your Customer Turnover

If you are able to understand the data concerning your customer turnover you'll be able to make better decisions based on evidence. For telecoms operators, working in a business based on contracts and subscriptions, having research that tells you why customers are leaving is gold dust if you are able to do something about it.

The general understanding when faced with that sort of data can often be to have the feeling you are losing those customers, but that is not what it means. Being able to correctly interpret the data so you focus on the opportunities it presents, rather than the negatives, is the systemic differences between having active, engaged customers and customers who are quietly waiting to churn.

According to Tanya Zyabkina, Director of Marketing Analytics at Time Warner Cable, "the biggest obstacle in using data to govern your loyalty and retention approach is the inertia and the risk that colleagues may return to the old ways of thinking that exists in many organisations".

However a good level of communication and constant reminders of why new loyalty strategies are being implemented is a really good way to build up internal engagement and mitigate the risk of providing a fragmented customer experience.

A loyalty scheme is not something you can just implement once, it takes time and commitment to switch your strategies and take your previous offerings in a completely different direction. Customers won't feel the difference or appreciate the benefits unless you keep it up every single day.

Time Warner Cable have found that by making customer loyalty the key focus of every customer call and internal conversation, their results are showing an improvement in retention levels.

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Tanya Zyabkina, Director of Marketing Analytics at Time Warner Cable





3 Key Steps to Keeping Your Customers Loyal

1. Take a More Personal Approach to Valuing Your Customers

Customers like to believe that their custom is valued. The CMO Council found that 12 per cent of customers switched providers simply because they didn't believe their network provider had any way to acknowledge or reward their loyalty.

It is important to make personalised contracts, i.e. awarding data bundles for those who use that aspect most or deals on certain features as a sign of gratitude for custom. Personalisation is the key to fostering a client customer relationship.

2. Engagement Should Happen Across All Contact Points

The way brands conduct themselves online gets a lot of attention. Social networking can be used effectively by brands as a platform that not only enhances their business through advertising, but also to make customers feel closer to the brand. Responding to customer queries through mediums such as Twitter means a company is able to communicate with customers in a way that is practical and efficient for them as well as presenting the company to be service-friendly.

Make sure that social media is used sensibly and not for spamming users. Interaction with clients via social media accounts means knowing the tone of voice to adopt online.

When someone asks a question, via a Facebook page or Twitter feed, make sure you quote the person and the tweet which shows the brand's willingness to address the question and showing that action is being taken. It really can be as simple as that.

3. Reward Loyalty

It is particularly important for a company to utilise data in order to differentiate between profitable and non-profitable customers and reward the ones who are. According to Viktoria Ruubel, former Head of Digital at Eesti Telekom, the most effective way to do this is to "look at your customer channel strategy and assess the purpose of each channel, online or offline, is having in serving and creating a seamless customer experience that promotes loyalty.

"By looking into the behaviours of different customers and deciphering what would make them choose one touch point instead of another, and figuring out how you can provide continuity of customer experience across those different touch points, is a key competitive differentiator."

Doing the same thing internally, and rewarding your employees who wholeheartedly embrace your loyalty and retention schemes, will have a positive effect on your entire programme.

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Viktoria Ruubel, former Head of Digital at Eesti Telekom





8 Aspects of a Customer Retention Strategy That Can't be Overlooked

Get these fundamentals right and you'll keep your customers loyal straight through to 2017 and beyond!

1. Define what you mean by churn

Before you begin working on proactive retention practices, it is vital to have a clear objective definition of what churn means for your company. Will you be focusing on a specific customer segment, or will your efforts be directed on those who are nearing the end of their contact?

2. Segment your customer base to build a more accurate profile of your users

Customer segmentation isn't new, but it is an evolving and ongoing pursuit. Accurate segmentation can ensure you're using your retention budget in the right way and it can aid you in developing products and services that can drive brand loyalty for specific clients.

Moreover, segmentation can in turn feed into the offers you design for your customers and the channels you choose to deliver them on.

3. Innovate and shout about your differentiating qualities

According to Ernst & Young, failure to adopt new routes to innovation was listed as one of the top ten risks in telecommunications in the last year.

Considering the lack of trust in some telecoms providers, or the idea that networks bundle all their customers together – this is a call to arms to be truly innovative in the way you approach customer management. Being innovative with your loyalty schemes is your route to standing out.

Demonstrating that you're a thought leader who has just what a customer expects at just the right time is vital. As is ensuring your schemes are marketed in the right way on the appropriate channels.

Without the correct training or a poor script, it's impossible for front-line representatives to handle customer calls in the right way. Overlooking this simple step will undermine all the hard work put into strategic planning, so invest in the right training tools and technologies.

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4. Focus on what your customers really care about

Taking customers for granted drives churn, that's a fact. By visibly addressing the aspects of your product or service offering that really matter to your customers you'll keep them happy and therefore loyal for longer.

If you don't know what those things are, there's no better time than now to find out and feed this into your loyalty and retention programmes for the year ahead.

5. Re-vamp your loyalty programmes

Always look for new ways to up-sell and cross-sell services that break traditional models. The crucial thing – which many operators get wrong – is not knowing what to offer their customers in order for them to stay engaged. The use of genuine customer insight in this area is vital as once you know what your customers want you'll be able to tailor your offerings to match their needs.

6. Ensure proper front-line training and materials

We can all think back to an occasion where we have had a terrible experience talking to someone at a call centre, the frustration that builds up and the negativity you feel towards the brand.

Without the correct training or a poor script, it's impossible for front-line representatives to handle customer calls in the right way. Overlooking this simple step will undermine all the hard work put into strategic planning, so invest in the right training tools and technologies.

7. Pilot your retention strategies before rolling out

Piloting gives you the chance to fine-tune your approach before rolling it out across the board. Whilst it can seem like it slows things down, it leads to better results.

8. Throw out the rule book

Customers are more demanding than ever and this demands new models of operating. Following industry regulations is of course vital, but when you're thinking of how to engage with your customers, throw out old rules that don't work under the current paradigm, innovation and personalisation are key.



Case Study: Comcast's Retention Strategy

American media organisation Comcast is the largest broadcasting and cable company globally by revenue. To improve customer loyalty and retention they survey customers who disconnect their service every quarter to identify the root cause of their customer complaints and churn rates. The prevailing theme was related to the service they offered. To combat the problem, the Comcast retention team worked with tech-ops to better understand how to measure system performance and correlate those metrics to customer churn rates.

"The best retention strategy is one that is as simple as coming into work and getting a list of to-do's that help you act."

Heather Lyon, Senior Director of Sales and Retention at Comcast

From this, Comcast were able to introduce a preventative maintenance strategy that helped reduce churn rates and improve customer loyalty across the network. The strategy focused on meeting the expectations of their business customers with the aim to address their issues more quickly.

With any retention strategy there can be teething issues but Comcast used insight from data they collected to introduce the new initiative in a logical step-by-step manner. By working closely with the tech-ops team, the company was able to improve their customer experience and ensure they had the right tools to make implantation easy.

Heather Lyon, Senior Director of Sales and Retention at Comcast, advises other telecoms operators focusing on loyalty and retention in 2016 to:

"Make sure you have the right systems in place to help prioritise the front-line workload. Our strategy worked because we were able to prioritise the target segment automatically. No one had to go in and manually to sort a node-level report.

"The best retention strategy is one that is as simple as coming into work and getting a list of to-do's that help you act."

Top Takeaways:

- Invest time to speak to the customers who have stopped using your service. Use the experience as an opportunity for growth and find out why they decided to leave your service. Most importantly, turn that insight into action and prevent the same thing from happening again
- Invest time to speak to the customers who have stopped Telecommunications Companies need to be more reactive when dealing with customer churn. In order to provide a service that meets with the expectations of the customer, response to service issues needs to be rapid
- Invest time to speak to the customers who have stopped Prioritise your front-line workload and ensure your entire team is working together to achieve the same goal: effectively retaining customers. One way to do this is to invest in training tools that allow every single colleague to have the same unified vision of providing the best customer experience to consumers





Conclusion

Overall, an effective loyalty strategy lies in the brand. There is a limited amount Mobile Network Operators (MNOs) can do when it comes to cost, therefore competitive differentiation comes from providing a stellar customer experience that is branded. It is not enough to simply resolve the issue a customer may have anymore, employees on the phone or in store need to offer something else that enhances the customer's experience of interacting with them at that point. Offers through various touch points need to be smooth, but more importantly they need to offer brand value too – this is why loyalty programmes are the key to staying ahead.

Another aspect of using innovation to enhance your customer experience and retain your client base is offering tailored gifts to customers that actually deserve it for being loyal to your brand. These initiatives make continued growth more

effective in the long run as it can be less impactful to focus on solely attracting new customers. Personalising incentives can be the difference between a customer staying and leaving you for a competitor.

In 2016, telecom operators should discuss the newest innovations in loyalty and rewards programmes and understand how to use them in order to improve customer retention and overcome the causes of churn. Through defining an approach to managing individual rewards and incentives and moving beyond a one-size-fits-all mind set towards personalising offers and incentives across different channels, you will be able to establish your brand as one that both high-value and low-value customers do not want to leave.





About CX Network

CX Network is an online resource for customer experience professionals providing value-rich content such as industry reports, customer trends, best practice, latest industry news, interviews with CX leaders and so much more! Our focus on the content that matters to customer experience leaders most, allows us to cut through the white noise that surrounds this ever-changing subject, and makes us the primary resource for CX executives to turn to.

By joining our network you will receive expert commentary, reports, and resources developed by and for experienced customer experience professionals and industry insiders. With a growing membership and global portfolio of events, CX Network ensures you keep your finger on the pulse by delivering practical and strategic advice to help you achieve your business goals.



2016 Market Report Calendar

January

Telecoms Focus: How to Reduce Churn and Increase Customer Retention

February

Optimising Customer Complaints Management in Financial Services

March

The Changing Face of Customer Loyalty in Retail

April

How to Tackle the CX Industry's Biggest Challenges

May

Digital Marketing Trends

June

Top 10 Tips and Tricks for Optimising Outsourcing Tools

July

How to Capitalise on the Digital Disruption Impacting CX

August

What is the Role of the Chief Digital Office in a Saturated C-Suite?

September

Key Steps for CX Leaders to Gaining Senior Management Buy-In

October

Secrets to Delivering a Differentiating CX

November

Learn From the Winning Strategies of CX Leaders

December

Customer Experience Predictions for 2017

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